



Strong media centers. Strong communities.

April 24, 2023

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To the Members of the Joint Committee on Finance:

I am writing on behalf of Wisconsin Community Media's 52 municipal, college and non-profit organization members who manage Public, Education and Government (PEG) access television channels on Cable TV systems or "Video Service Provider (VSP)" systems. PEG channels carry local programs including city council meetings, candidate forums, parade coverage, church services, choir concerts, and high school football games. Support for this work comes one way or another from the VSP fees that are paid by Video Service Providers to municipalities.

The 2019-2020 state legislature reduced VSP fees by 1 point across the board. The result is that municipalities that formerly assessed a 5% fee on video gross revenue now assess a 4% fee and those that originally had a 3% fee now have a 2% fee and so on. At the same time, the legislature made municipalities whole with state aid ([state statute 79.097](#)).

In 2019 the Department of Revenue implemented the statute by setting up an annual state aid application process in which more than 530 municipalities have participated yearly. It is very important to the creation of local programming that this commitment to make municipalities whole with state aid is kept in the 2023 – 2025 biennial state budget. ([See SB70 page 494.](#))

Under the statute, the amount of state aid required to be provided to municipalities in 2023-2024 and 2024-2025 is the same amount that was provided in 2021-2022 and 2022-2023. The statute fixes the aid amount at the value of a 1-point drop in the fee percentage assessed on 2019 VSP gross revenues. According to a Wisconsin Department of Revenue spreadsheet, \$10,007,925 was distributed in 2022. A similar amount is likely to be distributed in coming years based on the high level of participation by Wisconsin municipalities in the application process. SB70 includes \$10,008,200 for both 2023-2024 and 2024-2025.

Except for WCM's school district and college members, all our members rely on VSP fees to produce local programming. Treatment of this revenue varies widely from municipality to municipality, with some putting VSP fees in a segregated fund, some allocating a percentage of VSP fees to community media and some putting these fees in the general fund and treating it like all other revenue. No matter how a municipality handles this revenue, any reduction in these fees WILL affect the ability of municipalities to produce trusted local programming.

These fees are the ONLY funding Wisconsin municipalities receive from Video Service Providers for the support of community programming. Please support the continued inclusion of this state aid in the next state budget. You will find this provision in SB70 on page 494, item (fa). Thank you.

Sincerely,

Mary Cardona
Executive Director